

MEMORANDUM

Dec. 1, 2017

To: Reporters and Editors

From: The Office of U.S. Senator Sherrod Brown

Re: ICYMI – JCT Confirms, **AGAIN**, Tax Cuts for Corporations Won't Grow Economy, Deficit will Explode & Middle Class Families will Pay for It

Yesterday, the [Joint Committee on Taxation \(JCT\) confirmed](#) what we have known all along: the GOP tax bill won't grow the economy, it won't create jobs and it won't pay for itself. It will, according to JCT, add **\$1 trillion to the federal deficit even after accounting for economic growth**. The deficit increase will **force an automatic \$25 billion cut to Medicare next year** and give Republican leaders a reason to **further cut Medicare and Social Security**. The \$25 billion cut to Medicare next year will mean a \$16.4 billion cut for Ohio over ten years, according to the Joint Economic Committee.

Why will Medicare get Cut?

Pay-As-You-Go (PAYGO) is a little-known law that requires Congress to calculate the costs and savings that any piece of legislation will have over a ten-year period. Under PAYGO, if by the end of 2017, the cost of all legislation passed this year would increase the deficit compared to previous years, it triggers automatic spending cuts across the budget, including Medicare.

That means money will be taken from Medicare and other programs like support for Ohio farmers and funding that ensure Customs and Border Protection can keep our borders secure – all to pay for the \$1 trillion hole the Republican tax plan blows in the deficit.

What will happen if Medicare loses millions?

- Ohio's **2.1 million Medicare beneficiaries** could see cuts to their care.
- **Doctors could choose to cover fewer Medicare patients or none at all** – making it harder for Ohioans to get the care they need.
- **Home health services will get much more expensive.** Home health agencies get 70 percent of their revenue from Medicare and Medicaid, and only 17 percent from private insurance. By cutting Medicare, seniors could face increased out-of-pocket costs for these services.
- **People will lose their jobs.** The American Hospital Association projects that the cuts under consideration right now could threaten more than [115,000 jobs](#) alone.

How do we know Republicans want to use the deficit to cut Medicare and Social Security? They told us so:

- **President Trump:** At a cabinet meeting President Trump said: “We’re looking very strongly at welfare reform, and that’ll all take place right after taxes, very soon, very shortly after taxes.” ([here](#))
- **Speaker Ryan:** At a town hall-style event in Virginia on Tuesday night, Paul D. Ryan, the House speaker, said the most important steps that could be taken to reduce the national debt were spurring economic growth and making changes to entitlement programs. ([here](#))
- **Chairman Brady:** Representative Kevin Brady, Republican of Texas and the chairman of the Ways and Means Committee, said this month that tax overhaul “alone won’t get us back to a balanced budget.” He said that House Republicans would soon turn toward “welfare reform and tackling the entitlements.” ([here](#))
- **Chairman Hatch:** Senator Orrin Hatch, the Republican chairman of the Senate Finance Committee, blamed ‘liberal programs’ for the nation’s debt. ([here](#))
- **Senator Rubio:** Republican Senator Marco Rubio said this week: “The driver of our debt is the structure of Social Security and Medicare for future beneficiaries,” as he called for federal spending cuts. ([here](#))

What else does the tax bill do?

- [Encourage corporations to outsource jobs.](#)
- [Raises taxes](#) on nearly 13 million middle class families in 2019 and 87 million middle class families in 2027.
- [Raise taxes](#) on Ohio seniors.
- Cause [13 million people](#) to lose their insurance.
- Raise healthcare premiums by about 10 percent each year.
- [Cause Ohioans to pay more in premium hikes](#) than they’ll get in a tax cut under the bill.
- [Take away \\$338 billion](#) that currently helps working families afford healthcare to pay for corporate tax cuts.
- Force a [\\$25 billion cut to Medicare next year](#), and a \$16.4 billion Medicare cut for Ohio over ten years.
- Provide a permanent tax cut to corporations, but [only temporary cuts to working families](#).

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